

## NORTHGATE South Lot Development and Stormwater Projects

### BACKGROUND

#### 1. Northgate Mall Development Agreement

**Option to buy 2.7 acres** – The Northgate Mall Development Agreement<sup>1</sup> gives the City of Seattle an option to purchase 2.7 acres of the South Lot for \$375,000, land valued in excess of \$4 million. This option provides a great economic benefit and a unique opportunity to reconfigure the land for the hybrid stormwater project.

**Conditions on future development** - To further achieve the vision and goals of the Northgate Area Comprehensive Plan, there are several additional requirements and conditions placed on the property and future development on the Northgate South Lot. These are in addition to requirements to meet all citywide development regulations, the Northgate Overlay District code, design review and the State Environmental Policy Act (SEPA).

- The development must provide a minimum of 150 housing units
- Nonresidential land uses must be supportive of transit oriented development such as neighborhood and/or commuter-serving retail or service uses, grocery stores, offices, hotels, theatres, schools, cultural facilities, etc.

Certain uses are prohibited including as drive-in business, general manufacturing, heavy commercial services, and others.

- The developer commits to coordinated planning and design with King County and the City on transportation planning and mitigation, pedestrian circulation, open space, and site planning and design for development on the south lot.

#### 2. Lorig December 8, 2003 letter to City Council

- Lorig Associates further committed to a minimum of 300 housing units available to a range of income levels.
- Lorig agreed to consider cost-effective solutions for sustainable design and construction techniques
- Lorig committed to seek input and advice from the Northgate Stakeholder Group

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<sup>1</sup> Northgate Mall Development Agreement, adopted by Ordinance 121358  
June 3, 2004

## FRAMEWORK OF PROPOSED AGREEMENT BETWEEN LORIG AND THE CITY

### 1. Ordinance Submittals To City Council

- Ordinance authorizing purchase of South Lot parcel B by SPU from Simon Properties (2.7 acres for \$375,000)
- Ordinance authorizing Seattle Public Utilities to proceed with Hybrid Drainage Alternative on South Lot. Ordinance will define project elements and will authorize SPU to expend necessary funds to build the Hybrid Alternative (Approximately \$7.2 Million)
- Ordinance authorizing Memorandum of Understanding between Lorig Associates LLC and SPU to govern project if Lorig elects to purchase the property. The MOU will contain the following elements:
  - A. **Preparing a Short Plat for property reconfiguration.** A Short Plat Application will be prepared and submitted to the City to allow the reconfiguration of both parcels. Final recording of short plat to occur on or after closing. The reconfiguration allows both the Hybrid Drainage Alternative and the Lorig Associates development to proceed as proposed.)
  - B. **SPU agrees to “build no facilities other than drainage facilities”** subject to completion of (A) above.
  - C. **Both parties agree to abide by “use restrictions”** on respective parcels as enumerated in Northgate Mall Development Agreement. (Sections 6.3 and 7.1)
  - D. **SPU agrees to perform all drainage operations and maintenance** of the Hybrid Drainage System drainage facilities.
  - E. **Lorig agrees to be responsible for Landscaping O&M on a portion of SPU’s property** (adjacent to property line), the nature and extent of which will be worked out by the time of MUP approval.
  - F. **Short Plat to be executed contingent on issues enumerated in (G)** being addressed to both parties’ mutual satisfaction.
  - G. **SPU and Lorig agree to jointly address design and construction issues** that overlap both properties. The following issues must be agreed to the mutual satisfaction of both parties before the Short Plat will be recorded:
    - i. Grade elevations at the intersection of both lots
    - ii. Set backs
    - iii. Location and number of Easements
    - iv. Assurances for timely development of both parcels
    - v. Assignability of projects and/or property by Lorig
    - vi. Provision, location and number of pedestrian connections (between respective parcels)
    - vii. Location of vehicle access
    - viii. Those design issues which overlap both properties
    - ix. Any enhancements that Lorig is interested in pursuing on SPU property
    - x. Respective responsibilities for landscaping O&M on SPU parcel
    - xi. Location and approach to Temporary Erosion Control Measures

**H. Assurances**

- i. SPU agrees that it will construct the hybrid drainage system in accordance with the requirements of the City's Public Work Contracting process.
- ii. Lorig Associates LLC agrees to meet with the Seattle/King County Building and Construction Trades Council AFL-CIO to explore and identify feasible approaches which further the goal of providing livable wage employment in association with the construction of their South Lot Development.

## SUMMARY OF PUBLIC BENEFITS

The Lorig development and City stormwater proposals provide the following public benefits:

### 1. Environmental –

- Provides water quality improvement for 670 acres of drainage from the Northgate sub-basin, nearly 10% of the watershed, which is mostly untreated drainage from roads, buildings and parking lots
- Improving water quality at the headwaters will benefit the entire downstream Thornton Creek
- Offers the most cost-effective water quality approach and removes the most pollutants of the three options studied
- Provides some infiltration and detention which reduces downstream habitat damage caused by frequent small storms
- Assists in improvement of water quality to incrementally address urban runoff from development that has occurred citywide over past 100 years and that is currently unmanaged

### 2. Economic

- **Comparison of increased tax revenue yield to the city**

**Status quo-** If the south lot (Parcels A and B) were to remain **undeveloped** for twenty years, the city would receive **\$508,000** total revenue in today's dollars.

**Redevelopment -** If Lorig develops **450 housing units, 65,00 s.f. retail, and 54,000 s.f. office space** as proposed, the city will receive **\$7.7 million** in twenty years in today's dollars

The Lorig development will also generate **\$610,000** in one-time revenue from construction.

- **New development will create jobs and stimulate new economic investment in Northgate.**

### 3. Transforming Northgate

- New public and private investments will help transform Northgate into the urban center it is envisioned to be with dense housing and commercial development, and a vibrant, more transit-oriented and pedestrian-friendly community.
- The new Lorig development and City hybrid stormwater project will create new public open space and pedestrian connections that help link pedestrians to neighborhoods and the new Northgate Library, Park, Community Center and 5<sup>th</sup> Avenue NE Streetscape improvements.

- Joint planning between the Lorig, King County and the City will achieve progress toward King County's transit-oriented development future

## **STAKEHOLDER NEXT STEPS**

**June 15, 2004** – Mayor anticipates sending three ordinances to Council. Copies will be sent to the Northgate Stakeholders Group.

**June 24, 2004** – Stakeholders finalize advice to Council on framework of proposed agreement between Lorig and the City and proposed legislation.

**July – October, 2004** – Lorig to present project details. Stakeholders to discuss and formulate advice.